Practice what you preach:
I believe media agencies need to stop managing business and start behaving like brands

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Abstract

Media agencies today are operating in a highly volatile and changing world. In an attempt to deliver profit back to the business in the short-term, we have discounted prices and diversified services. These are classic brand building mistakes. Now, unprecedented levels of competition from within and outside the sector call for a change in strategy, one that starts close to home. In this paper, I will show that if we heed our own advice and start applying the same big brand thinking we recommend for clients to our own business, media agencies can increase their value and build a more long-term, profitable future.

Introduction

Imagine this familiar situation, you receive a lucrative pitch brief for a significant piece of global business and are asked for a fast diagnosis before the first chemistry meeting in a week's time. Upon reading the materials the problem becomes immediately obvious: in a competitive and commoditised market the business has entered into a category price war, discounting so far it is now operating at a loss, only to then attempt to recoup margins through a series of misjudged product extensions. All effort has been placed on driving volume at the expense of value to the extent that it is now unclear what purpose the brand has in consumers' lives beyond pure function. Frustrated, under-valued and under-invested, the brand is struggling to get heard not only within its own portfolio but also by the CMO and doesn't get a look in at boardroom level. The tyranny of quarterly reporting has forced a focus on sales at all costs and the company refuses to invest in evaluating brand equity, never mind entertaining the idea of including intangible assets on the balance sheet.

Depending on their temperament, planners would either be found screaming in frustration or exasperatedly rolling their eyes at such textbook brand mistakes. Whilst reputation, value and trust can be lost very quickly, we know that brand building is anything but an instantaneous feat. It must be built on a solid core and requires long-term, consistent commitment to a clear purpose in order to create meaning for, and ultimately drive profit from, its consumers. It is however, concurrently true as Andrew Haldane, Chief Economist and the Executive Director of Monetary Analysis and Statistics at the Bank of England has put it, that now for business, the long is short.[1] The pressure to maximise shareholder value before everything else encourages corporations and their management to focus on increasing the stock price, while doing little to encourage long-term investment.

The brief presents a common dichotomy faced by business and brands today: to give away value in the short-term through price promotion or increase value by investing in a brand in the long-term. Marketing science has done much to prove that short-sighted clients who succumb to the pressure of putting business before brand do not enjoy the prosperous future of those who resiliently take a truly long-term view. Indeed, so expansive is now the idea of brand we have arrived at what Rita Clifton in her lecture Brands, Capital and Crises, terms "Branding 4.0".[2] An age where branding has now become so much bigger than marketing, "it is increasingly seen as an organising idea for business. It does not just sit on top like icing, or just with the marketing department, but should penetrate everything a business does." Or, as Howard Shultz from Starbucks quite simply puts it, "I don't run a business, I run a brand".[2] And so if brands now dictate business practice surely the proven path to financial success must focus on the long-term?

So why, when we chastise clients for such blasphemy against marketing gospel do we fail to apply the same, seemingly simple logic to our own brands? I believe we need to start to apply the same strategic thinking to media agencies as we do to our own clients.

In a competitive and commoditised marketplace, media agencies have reacted by undercutting one another on media pricing only to then attempt to recoup profit by selling in an increasing range of out of scope services. The problem is that whilst we have been building ever more complex businesses, media agency brands have lost their value, exacerbated most recently by the lack of transparency into holding company operations and whether agencies are acting as true agents for client. A survey from ID Comms found that 31 per cent of clients described trust between media agencies and advertisers as low or very low, while only 10 per cent rated it as high or very high. [3] In fact, according to the World Federation of Advertisers, some 90% of marketers are looking to

[1] Haldane, Andrew. The Short Long, 29th Société Universitaire Européene de Recherches Financières Colloquium: New Paradigms in Money and Finance?, Brussels, May 2011
[2] Clifton, Rita. Brands, Capital And Crises. British Brands Group, London, 2013, p. 5, http://www.britishbrandsgroup.org.uk/upload/File/Lecture%202013.pdf.
[3] http://www.moreaboutadvertising.com/2016/04/id-comms-transparency-survey-rebates-and-business-models-impair-clientmedia-agency-trust/

review agency contracts in the hope it will deliver greater transparency.[4] These statistics only serve as an update to the general trend observed in new research from Enders Analysis where the average partnership between brand and agency fell from 86 months in 1984 to just 30 months more recently.[5] In reaction, WPP's decision to dissolve the MEC and Maxus brands is a landmark at the crossroads we have arrived at as an industry. We either continue to offer clients value in the form of cheap media placement and free advice, which, in a programmatic world is inherent with arbitrage and an inability to 'follow the money', or we start to rebuild and increase our value as brands that clients want to work with and pay a premium for. The analysis undertaken by Les Binet and Peter Field of thirty years' of IPA Effectiveness Awards data demonstrates, the most profitable of all campaigns are those that drive both incremental volume and the strengthening of margins.[6] Media agencies, much like the clients they serve, need to rebalance the search for growth in the channels that have the closest proximity to sales and hold their nerve by investing time, budget and energy into making customers love their brand for the long-term.

In this essay, I will show that by heeding our own advice and applying the same fundamental brand building principles to our own business, media agencies can achieve sustainable and profitable long-term futures by:

- Getting focussed
- Getting emotional
- Getting self-conscious

A lesson from the top

In 2003, one of the world's best loved brands was in crisis. Having not posted a loss from its founding in 1932 until 1998, the ensuing five years had spelled disaster, over 1,000 staff had been laid off, sales were down 30% year-on-year and it was £800m in debt.[7] Lego teetered on the brink of bankruptcy. Consultants were hired to assess the situation and declared 'The Brick is Dead!' What relevance could a manual, plastic building block have in the modern digital world? Technology had moved on so significantly since the iconic, interlocking toy piece was launched in 1949, it was high time the business started to make products that reflected the interests and experiences of children of the new millennium. Suddenly, Lego's raison d'etre was called into question, it was time to start building the business beyond the brick. Quickly, Lego and its advisors completed a comprehensive assessment of the marketplace and key competitors. The analysis of Mattel, proud owner of Fischer-Price, Barbie, Hot Wheels and Matchbox toys, drew a clear conclusion: a broad and varied portfolio was critical to the company's future success. The business immediately sprang into action: a girl's jewellery line went into production alongside branded children's clothing (Figure 1); a £125m theme park construction programme began; and a new video games arm was founded requiring the largest installation of Silicon Graphics supercomputers in Northern Europe. Having followed the management consultancy doctrine of diversity, the stage was set for fast and highly-profitable growth.

Figure 1: Lego's fashion line was one brand extension too far

Quite the opposite unravelled. The balance sheet quickly betrayed that adding extensions to Lego's product line did not sell more items overall but instead inflated manufacturing and delivery costs while failing to increase revenues. A similar fate plagued the theme park programme which lost £25m in its first year and by 2005 a 70% stake had to be sold to the Merlin Entertainment Group. Finally, hopes of evolving the business via technology were dashed when the videogames development division was forced to be licensed off at a discount to outside partners. New into his role at the time, CEO Jorgen Vig Knudstorp likened the effect of the business expansion strategy to that of a heart attack and immediately concluded, 'We

[4] Faul, Jennifer "P&G to review all agency contracts in 2017" Drum.com Web. 30 Jan 2017 http://www.thedrum.com/news/2017/01/30
[5] Pattison, Lindsay. "Transformation in an era of short-termism". Campaignlive.co.uk. Web. 21 Jul 2017. http://www.campaignlive.co.uk/article/transformation-era-short-termism/
[6] Les Binet & Peter Field, The Long and the Short of it: Balancing Short and Long-Term Marketing Strategies, 2013
[7] http://knowledge.wharton.upenn.edu/article/innovation-almost-bankrupted-lego-until-it-rebuilt-with-a-better-blueprint/

need[ed] a permanent change in our lifestyle'.[8] Lauded as Lego's saviour, Vig Knudstorp stripped the business back, dumping things it had no expertise in and then methodically rebuilt it on its core foundation, the plastic interlocking brick. What Vig Knudstorp recognised was that the business has tried to do some apparently sensible things, realised they had been misguided and then recalibrated to a more brand appropriate brand-driven strategy which saved the day. Twelve years on from the its near-death experience, in 2015, Lego Group overtook Ferrari to become the world's most powerful brand.[9] I believe media agencies today find themselves in the same condition as Lego in 2003. We are operating in what Lindsay Pattison, CTO of GroupM described as, 'a VUCA (volatile uncertain complex and ambiguous) world' with problematic levels of competition.[10] Our response has been to take the business building approach of expanding into an increasing number of diversified services and dropping pricing to build the bottom line. The result of which, creates the condition for our own industry heart attack, where the brands that deliver those services have lost relevance and purpose with clients who no longer see nor are willing to pay for their value.

Death of an industry?

Despite headlines claiming otherwise our business has a bright future. Whilst the mechanics through which media planning and buying are delivered will continue to change and flex as technology becomes more sophisticated, advertising clients will always need a supplier to invest their budgets cleanly and efficiently at the best possible cost. Advertising and media investment management continues to be WPP's engine of growth, primarily driven by media planning and buying of advertising for clients. In the first four months of 2017, the sector revenue grew by 8.0%, with like-for-like growth of 1.6% and in 2016 accounted for just under half of WPP's operating profit.[11]

It is therefore not the business model that is under threat, it is the brands that deliver that service. Our traditional advantages of scale have been eroded as buying has become increasingly democratised through biddable models, leaving reputation and service as the key influencers of client choice. Without a bulk buying advantage, competition has massively intensified as our marketplace has opened up significantly to alternative, trusted and valued brands with natural expertise in adjacent sectors looking to expand into new territories.

What we have forgotten is that clients came to us because they needed us, not because they wanted us. If media agencies do not start focussing on getting their brands right, a different, more trusted brand will happily provide that client service instead, be that a media owner, a management consultancy or inhouse. Clients need to understand why we are here which, in a commoditised market, means the proof needs to come from the brand not the business.

Problems without solutions

Whilst the press hyperbole about industry extinction may be too sensationalist, applying Porter's 5 Force Model clearly demonstrates that heightened competition within the sector means these threats are real.

The tool was created in 1979 by Harvard Business School professor Michael Porter, to analyse an industry's attractiveness and likely profitability and is a particularly useful analysis tool for when an industry, like that of media agencies, has significantly opened in terms of competition. Facing threats on all five fronts reveals that there is no single business answer to media agencies' current situation.

The five forces that shape industry competition are:

1. **Competitive rivalry:**
   Traditionally, rivalry is the extent to which agencies compete on price. Margin erosion has been self-inflicted by all the holding companies happily undercutting each other in consolidation pitches for the past twenty years, alongside increasingly sophisticated and demanding procurement demands. No one agency holds a markedly distinctive product patent, and hence its product portfolio could be copied in the future. In a new world where revenues matter more than media billings the major competitive battlefield for Omnicom, Publicis and the WPP Group, becomes the quality of services provided, rather than price. In order to successfully distinguish themselves through quality, agencies must differentiate themselves in various ways.

2. **Bargaining power of suppliers:**
   Media agencies are experiencing a shift from a world where they set the prices, to a time where some suppliers dictate the terms themselves.

[8] Breen, Bill. Brick by Brick: How LEGO Rewrote the Rules of Innovation and Conquered the Global Toy Industry, 2014.
[9] Haigh, David. Why is Lego the most powerful brand in the world?, 2017. http://brandfinance.com/press-releases/lego-overtakes-ferrari-as-the-worlds-most-powerful-brand/
[10] Pattison, Lindsay. "Transformation in an era of short-termism". Campaignlive.co.uk. Web. 21 Jul 2017. http://www.campaignlive.co.uk/article/transformation-era-short-termism/
[11] WPP AGM Trading Update. Web. 7 Jun 2017. http://www.wpp.com/wpp/investor/financialnews/2017/jun/07/wpp-agm-trading-update/

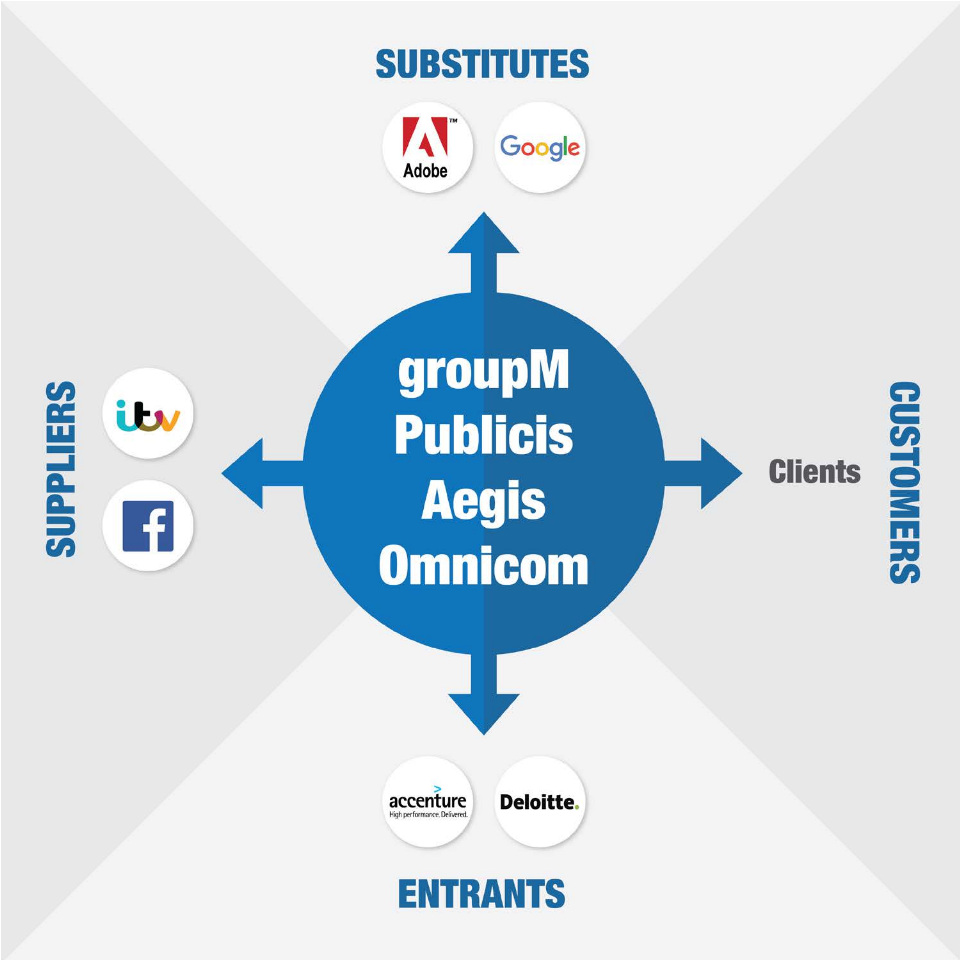

Figure 2: Porter's 5 Forces Diagram

Simultaneously, new powerful, digital media suppliers with stringent data-sharing policies are increasingly going to clients direct. It is still common however, for suppliers to trade on broadly preferential terms with large agency suppliers that amortises the majority of bias whereas client direct relationships can be driven by factors unrelated to media and be evaluated on various and inconsistent terms.

3. **Bargaining power of customers:**
Indication of clients' intention to consolidate their power and take control of their own destiny can be seen in the increasing number of Chief Media Officer appointments as appetite grows to increase capability in house. P&G, Tesco and Airbnb have all recently made these internal, high-profile appointments in parallel to findings published by Pivotal Research who found that 15 out of the Ad Age 200 marketers appear to have absorbed media purchasing capabilities for one or more business units.[12] However, the IPA Future of Agencies report contends that advertisers move to do more work in-house is "rarely in a binary internal or agency-serviced mode".[13] Media agencies that continue to use their expertise to improve the client's own capability will "progress the relationship by sharing versus holding knowledge". The agency that wins will be that who can clearly make the client see the value it delivers.

4. **Threat of new entrants:**
Entry into the media agency industry is unregulated but no longer constrained by the large investments in time and resources that must be made to build up brand reputation and name recognition. Without scale as a barrier, consultancy services who have the added advantage as an established advisor in the client boardroom with greater heritage and trust are ripe to enter the category. The Future of Agencies further observes how the, "Left brain is meeting right brain in the industry. This is the dynamic that will shape the future of agency capability".[14] The recent buying spree across the broader marketing communications sector including Accenture acquisition of Fjord and Karmarama, Deloitte's purchase of Heat, and Cap Gemini's procurement of Fahrenheit 212 is a clear indictor of where these traditionally operations-focussed businesses see future growth.

5. **Threat of substitutes:**
In order to substitute away from the large multi-agency firms and their media planning and buying expertise, clients would have to consider a number of alternatives. One alternative would be to integrate backwards to reduce the costs associated with hiring external agencies. As the big networks lose their legacy advantage then the focus shifts to the ability to manage client data and the placement through technology. Technology businesses who have been built around data management with homegrown, specialist data scientists become the more valuable asset for clients.

[12] Stewart, Rebecca. "In-house media buying on the up". drum.com. Web. 06 Mar 2017. http://www.thedrum.com/news/2017/03/06
[13] Perkins, Neil. IPA Future of Agencies Systems and Empathy. March, 2017.
[14] Perkins, Neil. IPA Future of Agencies Systems and Empathy. March, 2017.

Porter 5 Force	Intensity
Competitive rivalry	High
Bargaining power of suppliers	High
Bargaining power of customers	Moderate
Threat of new entrants	High
Threat of substitutes	High

Figure 3: Porter's 5 Forces Summary Table

Brands to the rescue

Porter's 5 Forces Model serves well as an analysis tool, exposing how real the threats to the traditional media agency model are (Figure 3) but does not provide a solution. When value cannot be delivered by the business, it has to come from the brand. A strong brand removes an agency from the 'race to the bottom' price war and is the vehicle through which they can instead start to increase their value. The diagnosis is clear: if media agencies do not invest in their brands they will lose all five of Porter's battles because they cannot stretch in all directions at once. So how can a media agency go about stopping offering up the value they hold and instead build a brand that reinforces its value? There are four key steps a new world, brand-led media agency needs to take.

Step 1: Getting focussed
Before any brand or business can grow, it must have a strong and healthy core. However, when a brand is sick, David Taylor, Founder and Managing Partner of the BrandGym, insists it needs to "get it in shape to stretch".[15] Media agency heritage has buying at its core and this was the primary business focus of Paul Green, who in 1970 walked into his first client meeting as the founder of Britain's first media independent and offered to hand over a cheque for £1 million. The dramatic gesture was to pledge the equivalent to what he promised would be the savings on the client's media bill. Still to this day MediaCom defines the role of the media agency as "making sure a marketing message appeals to consumers, appears in the right place, at the right time and that the advertiser pays the best possible price".[16] Buying is where the business generates its biggest profit but also it is where we are most focused on short-termism, as well as being the primary driver for the recent decrease in brand equity. Akin to Michael Lewis' exposé of Wall Street in Flash Boys, media agencies have recently experienced how "shining a light creates shadows".[17] Without fixing its buying core, a media agency brand cannot grow.

When Steve Jobs returned to Apple after being fired by the board 12 years earlier prospects were dim. It had racked up more than $1 billion in losses in the prior four quarters and demand for the Mac, its biggest moneymaker, was sinking. The company was worth about $4 billion but on the brink of bankruptcy, whilst rivals like HP and Dell were worth about $62 billion and $8 billion respectively.[18] Jobs drew the same conclusions as Jorgen Vig Knudstorp at Lego: to grow your business you need to nurture your brand from its core.

Apple had been executing wonderfully on many of the wrong things. Instead, Jobs saw they needed a focussed, singular strategy, "It needs to figure out what its core assets are and invest more in them."[18] Apple's core assets had been neglected for a while and Jobs' belief was that the most important thing he needed to do was to start to build products that were wonderful. Or, more specifically, "insanely great". If media agencies want to build a sustainable future they too need to invest in their core buying services and rebuild their brand from the bottom up by being insanely great at what they do.

In a similar vein, Publicis move to a dedicated media exchange, PMX, with its own CEO signal a move toward transforming media planning and buying into a professionalised investment management service. The difference is that being the best at what you do means you need to really walk the talk. The parallels between media investment and the financial services sector are so close that we can look to key players for brand building lessons. Goldman Sachs has done what few banks – or any kind of professional service – ever manage to do: build itself an identity on a global scale. The brand is about more than a pretty logo or a quaint family-ownership story, Goldman has become the bank. It is name-checked in all articles about the financial crisis. The towering London offices bear no name on the outside, only black marble (Figure 4). The business is so confident in its product and brand that its clients feel like they are getting 'the best', and Goldman's unchallenged position as no. 1, a status reiterated

[15] Taylor, David. "Grow the Core", 2008.
[16] MediaCom. "What is a Media Agency?" http://www.mediacomedinburgh.com/en/what-we-do/our-industry/media-agencies/what-is-a-media-agency.aspx
[17] Lewis, Michael. Flash Boys. March, 2015.
[18] Gugielmo, Connie. "A Steve Jobs Moment That Mattered". Forbes.com. Web. Oct 7, 2012. https://www.forbes.com/sites/connieguglielmo/2012/10/07/a-steve-jobs-moment-that-mattered-macworld-august-1997/#536ab4913edd

Figure 4: Goldman Sachs The Bank

again and again in jokes, on twitter, in the media, only gives further gravity to that confirmation bias. Clients rationalise their decision as hiring the most successful company, even when that success translates onto Goldman Sachs rather than their balance sheet.

But despite the seduction of all manner of conspiracy theories surrounding their phenomenal business performance, there is a more plausible and prosaic explanation for Goldman's success: it is damn good at what it does. For media agencies to win, media agencies have to do a really good job. The first step is to separate out charging for media placement from charging for advice to give clients greater transparency and reassurance that their investment is being deployed based in their best interests and not that of the agency. Rather than attempting to change the existing perceptions of media agencies as primarily a buying function, consolidating buying strength gives a platform to rebuild credibility as buyers become professionalised specialist traders much like their peers in the city, solely focussed on the value of a transaction to deliver the best return on the clients' investment. An unwavering focus on price will allow agencies to disentangle themselves from the scepticism of bundling and lack of transparency about hidden costs and levies. The clarity provided by elevating and professionalising the specialism will give clients the reassurance of having highly-skilled specialists working toward a clear and shared goal and ultimately rebuild trust to give the media agency a solid base from which to proudly grow.

In the inevitable future of a purely programmatic world, the biggest brand equity will be achieved by the media agency who focusses on developing their human capital and builds new credibility at their most important source of profit. Navigating the ever more complex media landscape and devising intricate investment strategies to maximise return for clients cannot be executed solely by machines. Having invested in its core like Apple and proved itself as the best in its field like Goldman, the media agency of the future can stop offering up the value it holds and instead charge a premium for a service clients value.

Step 2: Getting emotional

Once in shape to stretch, the new media agency brand must build on its functional capabilities to give clients a reason to buy. In his TED talk How Great Leaders Inspire Action Simon Sinek argues, "people don't buy what you do they buy why you do it."[19] It is not enough to just exist as an investment service, media agencies need to give themselves a purpose and create lasting memory structures with clients to prime themselves for future business opportunities. Making a brand name well-known is the conventional approach to brand building but this in itself is not enough.

Chevrolet, for example, is one of the world's best-known automobile brands and yet it does not make Interbrand's list of the 100 most-valuable global brands. Like many other exceptionally well-known names, Chevrolet isn't worth much because it does not stand for anything. Chevrolet is not alone. The U.S. automobile industry markets 13 vehicle brands: Buick, Cadillac, Chevrolet, Chrysler, Dodge, Ford, Hummer, Jeep, Lincoln, Mercury, Pontiac, Saab and Saturn and every one of these is exceptionally well-known with a recognition score in excess of 90%.[20] Except for a house or an apartment, an automobile is the most expensive product a person might buy in his or her lifetime. In addition, an automobile has enormous street visibility. These factors combine to give automotive brands a huge advantage in the battle for the consumer's mind.

It's not surprising that 11 automobile brands made Interbrand's most valuable list. But just one of those

[19] Sinek, Simon. "How great leaders inspire action". Ted.com. Web. Sept, 2009. https://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action
[20] Reis, Al. "The Difference Between Building a Business and Building a Brand". AdvertisingAge.com. Web. 05 Jan, 2009. http://adage.com/article/al-ries/al-ries-brand-building-trumps-building-a-business

Brand	Interbrand Global Rank	Purpose
Toyota	5	Reliable
Mercedes-Benz	9	Prestige
BMW	11	Driving
Honda	21	Reliable (second to Toyota)
Ford	33	Everyman
Hyundai	35	Cheap
Audi	38	Advanced technologies
Volkswagen	40	Practical
Nissan	43	Everyday innovation
Porsche	50	Sports cars

Figure 5: Automotives with meaning

11 brands was an American brand (Ford at No. 33). The other 9 in the top 50 were European and Asian brands (Figure 5). [21] Why? The European and Asian brands stood for something.

This example demonstrates how a business becomes a brand when it transcends its category of origin. It takes an existing core equity and a particular philosophy, and it infuses that idea into everything it does, furthering its reputation or world view, one product, service or line extension at a time. It is the imprint of this impression that creates value for the brand, and that same value that drives its profit.

Thanks to the work of Daniel Kahneman and other disciples of decision science it is now commonly accepted that our limbic brain, the part responsible for feelings like trust and loyalty, is also responsible for all human behaviour, decision making and has no capacity for language.[22] In support of this evidence, Les Binet and Peter Field's extensive analysis of the IPA Databank has proven that emotional campaigns produce considerably more powerful long-term business effects than rational persuasion campaigns.[23] High value brands are therefore those who have a purpose and communicate on an emotional level. The same is true for media agencies. We have been making the mistake of communicating with clients from the outside in about rational facts and figures through pricing and it does not drive behaviour. Instead we need to start talking from the inside out and communicate directly to the part of the brain that dictates behaviour - where gut decisions are made, where emotional bonds are constructed and how client business is retained.

The benefit of giving an agency purpose is multi-faceted. In his research into service brand equity, Dr Stephen Berry analysed the strategies of fourteen mature high-performance service companies and found that brand meaning is mainly influenced by the customer experience within the company.[24] This is because service-businesses are labour intensive, and human performance rather than machine performance, plays a critical role in building the brand. The 2016 IPA Agency Census found that 53.5% of media agency staff stayed less than two years with a company which means in any team at any one time, service is inconsistent.[27]The media agency of the future will use their purpose to deliver a consistent high-quality customer experience.

Mars Inc. used these principles to create their Laws of Growth programme which successfully combated the inconsistency within its marketing department caused by high employee churn. Despite the significant scale of marketing at Mars, there had never been a 'Mars way of marketing', or any alignment on common marketing principles as brand guardians' average tenure, averaged only three years. Practices were predominantly dependent on the skills of individuals and diagnostic guesswork. Mars brands needed to be managed on a more consistent global basis under a proprietary belief system that aligned with the Mars culture to avoid becoming a 'command and control' organisation. Mars defined a far reaching new marketing philosophy, called the Laws of Growth. With this, they identified ten growth levers which although deceptively simple allowed the company for the first time in its history, to embrace a single united approach to growth. The programme not only inspired the organisation but enabled marketing to lead the growth strategy for the whole business. To give just two of many examples, using this approach saw sales of Maltesers in the UK grow by 20% and Snickers globally grow by $376 million in the space of 2 years.[25]

Omnicom have started to experiment with this idea in their acquisition and expansion of Hearts and Science as have WPP with Essence, but this could go further. On its company website, the

[21] Interbrand. "Best Global Brands 2016 Ranking". Interbrand.com. Web. 2016. http://interbrand.com/best-brands/best-global-brands/2016/ranking/
[22] Kahneman, Daniel. Thinking, Fast and Slow. 1st ed. London: Farrar, Straus and Giroux, 2011. Print.
[23] Les Binet & Peter Field, The Long and the Short of it: Balancing Short and Long-Term Marketing Strategies, 2013.
[24] O'Loughlin, Sarah and Szmigin, Isabelle. "Services Branding: Revealing the Rhetoric within Retail Banking". Jun, 2007. https://www.researchgate.net/publication/233550199
[25] Mars Inc. "Mars Laws of Growth" marketingsociety.com. Web. Sept, 2013. https://www.marketingsociety.com/the-library/2013-winner-mars-marketing-leadership-case-study

team proudly proclaims, "At the core of the Hearts and Science model is an approach that combines qualitative insights—the agency's namesake hearts—with a new emphasis on quantitative ones—the science." [26] This is a belief and purpose all staff are literate in and united under. The agency brand was specifically born from eschewing the formulaic, black-box process repeated across brands and favoured by other agencies. Its clarity of purpose gives clients something, whilst still intangible, memorable to connect with. Although their business success in the UK to date has been limited, the $6bn of business, including the billings of Procter & Gamble and AT&T in the US attest to how attractive a strong agency brand is for clients. [27]

Step 3: Getting self-conscious
Confident in its product and driven by its purpose the media agency of the future must then adapt its behaviour to signal change. Implicit signalling is one of the most important forces in marketing, but we rarely apply it to ourselves. Brand equity is built by the power of the associations with those signals and is what predisposes consumers to choose one brand over others and pay more for it now and in future. If everything we do as a brand is a signal and signals are automatically processed

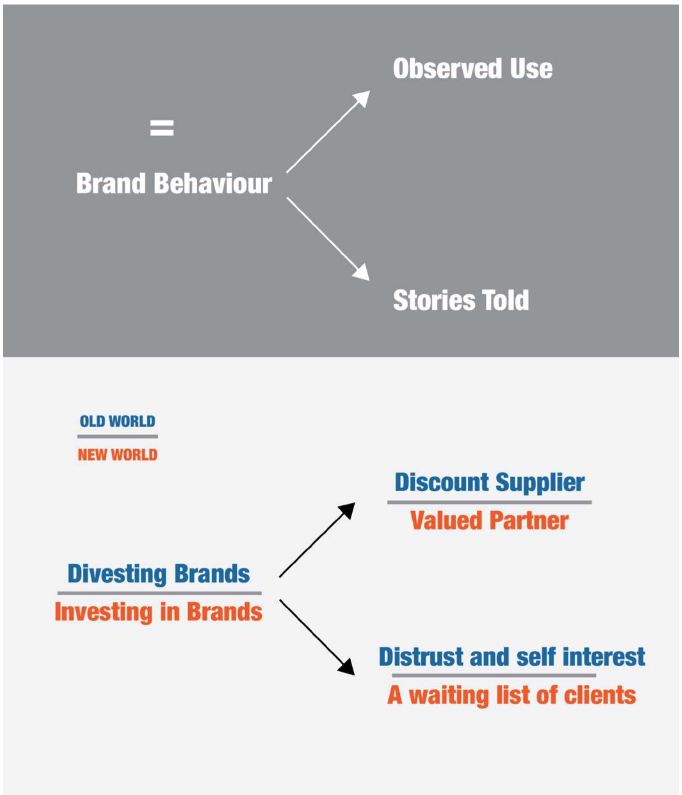

Figure 6: implicit signal model and application for media agencies

and stored with consumers as feelings, it quickly becomes clear that media agencies signals have been all wrong. Media agencies have been signalling to their clients as a low value, failing brand with a lack of confidence in its own future. If we do not value ourselves how can we expect clients to value us?

Instead the media agency brand of the future will exude confidence in its ability and belief, constantly using its purpose drive behaviour (Figure 6). For example, if the purpose was to be the most creative media agency, all employees should dress casually and never be on time; if the purpose was to be the most professional media agency, you would never send out a document with mistakes; if the purpose was to be the agency of risk you would insist that 50% of every client's investment was used for test and learn.

Media agencies need to apply the 4 established principles of brand signalling as follows: [28]

1. **Act extravagantly:**
   Andrew Ehrenberg long argued that the role for advertising for established brands was much more to do with publicity than persuasion: people don't need to be talked into buying brands with which they're already familiar. Similarly, Jerry Bullmore also contented that "By far the most important decision that an advertiser makes is the decision to advertise". [29] The media agency brand of the future will invest in its brand communication, it will advertise in the national papers not just the trade press. It will use the ambition of the Red Bull marketing model as inspiration for extravagance to achieve a bigger share of voice than its share of market.

2. **Sacrifice more:**
   A body of literature already exists to support the argument that today's consumers have developed an extremely high level of expectation with regard to what brands are offering and furthermore are setting a more stringent standard for brands than they are for themselves. What is less commonly known is that brands must make these sacrifices visible otherwise they have no value. In an 80-couple study psychologists affiliated with the Universities of Toronto and Cambridge proved that sacrificing without expressing the act's

[26] https://www.hearts-science.com/
[27] Beltrone, Gabriel. "How Hearts & Science Went From Zero to Winning P&G and AT&T in 7 Months". advertisingage.com. Web. Feb 12, 2017. http://www.adweek.com/agencies/how-hearts-science-went-from-zero-to-winning-pg-and-att-in-7-months/
[28] Buckley, Pete. "Exploiting The Implicit". Web. Nov 17, 2012. https://www.scribd.com/doc/114592607/IPA-Diploma-2012-1-Copy
[29] Bullmore, Jerry. "Sorry to Disappoint You – But the Business We're in is Unusually Low in Risk". Web. wpp.com. 2015. http://www.wpp.com/annualreports/2015/what-we-think/sorry-to-disappoint-you/

emotional cost has its own price.[30] The same is true for brands and indeed media agencies. To combat the climate of distrust, the brave, brand-led media agency will streamline its business and only sell in one service at a time, starting with media investment management. It will turn down other revenue opportunities to visibly reinforce how it is acting in the interest of their clients and not themselves.

3. **Distinctive design:**
   Mental availability or being the brand people think of first in your category depends on the quality and quantity of memory structures related to the brand. The intangible nature of service brands makes a distinctive identity all the more important. When McKinsey argued that businesses needed to think of the consumer purchase journey more as an iterative loop than a simplistic purchase funnel, they branded The McKinsey Consumer Journey (more commonly known as the McKinsey Loop).[31] Whichever nomenclature you choose, the famous and universal usage of diagram which expresses the thoery, demonstrates the power a proprietary set of assets can have in building a brand. The media agency brand of the future will be distinctively designed around its purpose not its function.

4. **Concrete Actions:**
   More important than reinforcing through signalling, you must never ever break the rules of your brand. A strong media agency brand should never counter signal its own purpose. Nothing kills a brand quicker than not doing what it says it does. The perils of hypocrisy have been felt by the BBC who were recently forced to admit it has a gender pay problem after their pay list revealed that two-thirds of its highest-paid stars despite its charter for equality.[32] The media agency brand of the future will stop discounting for all clients. Knowing that price has been identified as an important association in brand image evaluation and a strong quality indicator, it will stand by its price premium to signal its value to clients.

Day one board agenda

1. **Review current client list and scope of work**
2. **Dissolve ancillary business units**
3. **Cancel external communication agency-wide for brand immersion week**
4. **Refocus new business priorities**

Figure 7: Day 1 agenda for the media brand of the future

Conclusion:

Media agencies today are facing an unprecedented amount of intense competition in an age that demands a short-termist approach from the business to deliver fast results. In an attempt to satisfy clients and stakeholders, we have reacted badly and dropped our prices to maintain volume. This has not satiated appetites but only left them hungry for more. Feeding the business has however, left us sick. The remedy will not come from continuing to offer up value for free but instead from applying the very same successful brand behaviours to ourselves that we recommend to clients everyday. There is a bright future for media agencies and it is staring us straight in the face. We must bravely chose to build our brand to protect our future in the long-term. Our business will continue to change and whilst we can't control that, we can increase our value by focussing on what we do, getting emotional about why we do it and showing clients how it's done. If we start to practice what we preach it won't just be clients on Interbrand's Global Ranking in the future, it will be their agencies too.

[30] Coffey, Rebecca. "Sacrifice in Relationships: Do You Go That Extra Mile?" psychologytoday.com. Web. Jan 15, 2014. https://www.psychologytoday.com/blog/the-bejeezus-out-me/201401/sacrifice-in-relationships-do-you-go-extra-mile
[31] Mayfield, Anthony. "Brilliant Model: The Loyalty Loop". brilliantnoise.com Web. Mar 7, 2012. https://brilliantnoise.com/blog/brilliant-model-the-loyalty-loop/
[32] Singh, Anita. "BBC gender paygap revealed". telegraph.co.uk. Web. July 18, 2017. http://www.telegraph.co.uk/news/2017/07/18/bbc-gender-pay-gap-revealed-two-thirds-top-earners-men/